

VIA FAX, EMAIL AND U.S. MAIL

June 18, 2010

Randy Sekany
San Jose Fire Fighters, IAFF, Local 230
425 E. Santa Clara Street, Suite 300
San Jose, CA 95113

RE: IAFF, Local 230 Negotiations

Dear Randy:

I am in receipt of your email dated June 17, 2010, sent at 7:46 a.m., the subject line of which was "L230 proposal 6-17-10." This email included a new proposal from Local 230 as an attachment. In your email, you indicate that because of time sensitivity, an electronic copy would be sent to the Mayor and City Council as well, which was done at 7:52 a.m. Further, you indicated that your intent was not to negotiate directly with the Mayor and City Council, but that your intent was simply to provide them information to consider the proposal.

We disagree with your assertion that sending Local 230's proposal to the Mayor and City Council is not direct dealing and believe this to be another instance of Local 230 bypassing the City's negotiators. We previously expressed concern about bypassing and direct dealing in our letter dated June 9, 2010.

As referenced in our letter dated June 9, 2010, you indicated in our last meeting that Local 230 had no economic movement from your last proposal and that because of this, no further negotiation sessions were scheduled. We asked that if your direction changed to contact us so we could continue negotiations with Local 230, in order to see if we can still reach an agreement in time to save the jobs of firefighters and the important services they provide. However, we did not hear back from Local 230 that there was now economic movement or to schedule further negotiation sessions. Thus, we were surprised when we received your most recent proposal dated June 17, 2010.

In regards to your proposal, the City is pleasantly surprised that Local 230 is proposing retirement benefit reform in the form of a second tier for new employees. Please let us know if you have an actuarial report for this item. As you know, if this was to be

approved by the City Council, we would need to have an actuarial report that is made public.

In addition, the City appreciates that your most recent proposal includes employees represented by Local 230 making additional contributions to pre-fund retiree healthcare. However, can you please clarify if the amounts continue to increase in future years similar to the agreement reached with the San Jose Police Officers' Association.

We also noticed that Local 230's proposal includes a no layoff pledge for the term of the contract. However, the savings that Local 230 indicates that the City would experience by accepting the proposal are not sufficient to avoid layoffs of firefighters. As previous written proposals from Local 230 have not been fully inclusive, please confirm if this proposal is a complete proposal or if there are other items, such as a 48/96 schedule, vacation sellback, reference to FBOR, or allowing firefighters to have Local 230 decals on their shirts and helmets are to be included in this proposal.

Further, we noticed that your proposal is a three-year term that extends through Fiscal Year 2011-2012. The City has consistently expressed our interest to have a term that extends through the end of Fiscal Year 2010-2011. Please let me know if Local 230 is interested in a contract that would expire on June 30, 2011, so we can schedule further negotiation meetings.

Again, the City appreciates Local 230's proposal and we look forward to hearing back from you on the information requested in this letter.

Sincerely,



Alex Gurza
Director of Employee Relations

c: Darryl Von Raesfeld, Fire Chief
Teresa Reed, Assistant Fire Chief
Chris Platten, IAFF, Local 230 Legal Counsel